

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
DUBOIS COUNTY AIRPORT AUTHORITY
DUBOIS COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
03/12/2007

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|----------------------------------|--|
| Airport Manager | Travis McQueen | 01-01-05 to 12-31-07 |
| Treasurer | Raymie Eckerle David W. Drake | 01-01-05 to 12-31-06 01-01-07 to 12-31-07 |
| President of the Board | David W. Drake Raymie Eckerle | 01-01-05 to 12-31-06 01-01-07 to 12-31-07 |



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DUBOIS COUNTY AIRPORT AUTHORITY, DUBOIS COUNTY, INDIANA

We have examined the financial information presented herein of the Dubois County Airport Authority (Airport Authority), for the period of January 1, 2005 to December 31, 2006. The Airport Authority's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Airport Authority for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 13, 2007

DUBOIS COUNTY AIRPORT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

| | Cash and Investments 01-01-05 | Receipts | Disbursements | Cash and Investments 12-31-05 |
|-------------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 501,485 | \$ 252,043 | \$ 512,315 | \$ 241,213 |
| Mound Sewer Maintenance | 18,529 | 2,315 | 1,587 | 19,257 |
| Cumulative Building | 288,759 | 810,630 | 654,495 | 444,894 |
| Fiduciary Fund: | | | | |
| Payroll | - | 12,273 | 11,231 | 1,042 |
| Totals | <u>\$ 808,773</u> | <u>\$ 1,077,261</u> | <u>\$ 1,179,628</u> | <u>\$ 706,406</u> |

| | Cash and Investments 01-01-06 | Receipts | Disbursements | Cash and Investments 12-31-06 |
|-------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 241,213 | \$ 247,445 | \$ 187,320 | \$ 301,338 |
| Mound Sewer Maintenance | 19,257 | 311 | 19,568 | - |
| Rainy Day | - | 21,050 | - | 21,050 |
| Cumulative Building | 444,894 | 181,579 | 97,538 | 528,935 |
| Fiduciary Fund: | | | | |
| Payroll | 1,042 | 14,997 | 14,941 | 1,098 |
| Totals | <u>\$ 706,406</u> | <u>\$ 465,382</u> | <u>\$ 319,367</u> | <u>\$ 852,421</u> |

The accompanying notes are an integral part of the schedules.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Airport Authority was established under the laws of the State of Indiana. The Airport Authority operates under an appointed board.

Note 2. Fund Accounting

The Airport Authority uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Airport Authority in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Airport Authority on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Airport Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Compensated Absences

Vacation Leave

Full-time employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year. Accumulated vacation leave will be paid to employees upon termination.

Sick Leave

Full-time employees accrue sick leave benefits at a rate of 8 hours per month not to exceed 80 hours per calendar year. Sick leave accumulates from year to year to a maximum of 960 hours.

Personal Leave

Full-time employees accrue personal leave at a rate of 2 days or 16 hours on January 1 of each year.

Note 7. Defined Contribution Pension Plans

Plan Description

On December 18, 1989, the Airport Authority established a Simplified Employee Pension Plan administered by Old National Bank Trust. The Plan establishes an IRA for every employee who is at least 21 years of age and has performed services for the Airport Authority in at least 3 of the last 5 years.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the Airport Authority and the Plan Administrator. The employees may contribute an additional amount within the Internal Revenue Service guidelines. The amount of the annual contributions is discretionary, but all employees must be treated the same. Historically, it appears that contributions equal to 7% of the eligible employee's compensation have been contributed to the plan. The current rate is 7% of annual covered payroll. Employer contributions for 2005 and 2006 to the plan were \$6,101 and \$ 4,542, respectively.

Dubois County Airport Authority

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Capital assets are reported at actual or estimated historical costs based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), are as follows:

| | Capitalization Threshold |
|-----------------------------------|-----------------------------|
| Land | \$ 1,500 |
| Buildings | 1,500 |
| Improvements other than buildings | 1,500 |
| Machinery and equipment | 1,500 |

Capital asset activity for the years ended December 31, 2005 and 2006, follows:

| Primary Government | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|--------------------|-------------------|--------------------|
| 2005: | | | | |
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 712,300 | \$ - | \$ - | \$ 712,300 |
| Buildings | 1,906,833 | - | - | 1,906,833 |
| Improvements other than buildings | 3,175,148 | 895,724 | 134,394 | 3,936,478 |
| Machinery and equipment | <u>361,733</u> | <u>1,557</u> | <u>-</u> | <u>363,290</u> |
| Total governmental activity, capital assets not being depreciated | <u>\$6,156,014</u> | <u>\$ 897,281</u> | <u>\$ 134,394</u> | <u>\$6,918,901</u> |
| 2006: | | | | |
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 712,300 | \$ - | \$ - | \$ 712,300 |
| Buildings | 1,906,833 | 2,046,295 | - | 3,953,128 |
| Improvements other than buildings | 3,936,478 | 56,058 | - | 3,992,536 |
| Machinery and equipment | <u>363,290</u> | <u>-</u> | <u>-</u> | <u>363,290</u> |
| Total governmental activity, capital assets not being depreciated | <u>\$6,918,901</u> | <u>\$2,102,353</u> | <u>\$ -</u> | <u>\$9,021,254</u> |

Sincerely,
Dubois County Airport Authority



Travis McQueen, Airport Manager
Huntingburg Airport

DUBOIS COUNTY AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2007, with Travis McQueen, Airport Manager; Raymie Eckerle, President of the Board; and by phone with David W. Drake, Treasurer. Our examination disclosed no material items that warrant comment at this time.